

Message Text

UNCLASSIFIED

PAGE 01 JAKART 10970 051027Z

10

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 /017 W
----- 107952

R 050918Z SEP 75
FM AMEMBASSY JAKARTA
TO USDOC WASHDC
INFO SECSTATE WASHDC 134
AMEMBASSY SINGAPORE
AMCONSUL MEDAN
AMCONSUL SURABAYA

UNCLAS JAKARTA 10970

EO 11652: N/A
TAGS: BEXP ID
SUBJ: TRADE PROMOTION EVENT: FISHERIES EQUIPMENT
CATALOG SHOW

REF: A. USDOC 12780; B. JAKARTA 9466
C. JAKARTA 10895 D. MEDAN A-20

1. SUMMARY: FOLLOWING RECEIPT REF A JAKARTA CONDUCTED
BRIEF MARKET INVESTIGATION OF SEA FISHERIES SECTOR WHICH
CONFIRMED VIEWS EXPRESSED REF B THAT JAKARTA SHOULD NOT
RPT NOT ASSUME PRIMARY RESPONSIBILITY FOR PROPOSED
FISHERIES EQUIPMENT EVENT BUT THAT SURABAYA OFFER HOST
SUCH EVENT WOULD BE DESIRABLE CONTRIBUTION TO
EXPORT PROMOTION PROGRAM. END SUMMARY

2. MARKET APPEARS DIVIDED INTO THREE GROUPS END USERS:
(A) ORGANIZED PRIVATE SECTOR (TO DATE INVOLVING APPROXIMATELY
\$100 MILLION INVESTMENT) WHICH IS HEAVILY DOMINATED
BY JAPANESE THROUGH JOINT VENTURE (REPORTEDLY
80 PERCENT OF PRIVATE FISHERIES INVESTMENT IS JAPANESE
FINANCED) AND CONSESSION/OUTPUT PURCHASE ARRANGEMENTS
VALID FOR AT LEAST NEXT TWO TO THREE YEARS. (B) GOI
PLANNED FINANCIAL SUPPORT FOR SMALL VILLAGE FISHERMEN
UTILIZING ADB AND IBRD FINANCING. TWO YEARS INTO
PLANNED FIVE YEAR PROGRAM, ONLY 5 PERCENT OF APPROVED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 10970 051027Z

\$30 MILLION HAS BEEN EXPENDED AND PROGRAM IS STILL

FRAUGHT WITH DELAYS, UNCERTAINTIES CONCERNING FEASIBLE FINANCIAL MECHANISM, AND SOCIOLOGICAL COMPLEXITIES ASSOCIATED WITH UNORGANIZED MARGINAL FISHERMEN. (C) GOI STATE FISHING ENTERPRISES, WHICH PLAN INVEST APPROXIMATELY \$100 MILLION OVER FIVE YEAR PERIOD(NOW IN SECOND YEAR); AGAIN FINANCING SUPPLIED BY ADB AND IBRD AND POSSIBLY FUTURE EXPORT CREDITS. APPROXIMATELY \$30 MILLION NOW BEING TENDERED, BUT SUCH BIDDING APPEARS DIFFICULT FOR US FIRMS DUE BOTH HEAVY JAPANESE INFLUENCE WITH STATE COMPANIES AND RUMORED "IRREGULARITIES" IN THESE FIRMS' COMMERCIAL DEALINGS.

3. OBVIOUSLY SIGNIFICANT MARKET DOES EXIST FOR SOME PRODUCTS US CAN SUPPLY, EVEN THOUGH ABOVE DOLLAR FIGURES NEED BE DEFLATED TO REFLECT SIGNIFICANT ITEMS FOR WHICH US LESS COMPETITIVE. WORTH NOTING ALSO THAT NEWLY APPOINTED DIRECTOR GENERAL FOR FISHERIES IMAM SARDJONO COULD BRING CHANGES TO FISHERIES SECTOR, AND JAPANESE CONTROL OF FISHING CONCESSIONS MIGHT EVENTUALLY BE LOOSENED. THUS A MISSIONARY PROMOTIONAL EFFORT AT THIS POINT COULD GIVE US VAULABEL FOOT IN DOOR TOWARD POSSIBLE FUTURE DEVELOPMENTS.

4. SURABAYA IS TO BE HIGHLY COMMENDED FOR ITS INITIATIVE IN OFFERING TO UNDERTAKE THIS EVENT, AND WE STRONGLY RECOMMEND THAT SURABAYA BE GIVEN OPPORTUNITY TO DO SO. HOWEVER, EMBASSY ITSELF HAS OTHER HIGHER PRIORITY OPPORTUNITIES, NOT AVAILABLE TO SURABAYA, THE PURSUIT OF WHICH WILL PRECLUDE EMBASSY ASSUMING PRIMARY RESPONSIBILITY FOR FISHERIES EVENT. AS INDICATED PARA 6 REF C, EMBASSY CANNOT TAKE ON ADDITIONAL TRADE EVENTS WITHOUT SIGNIFICANTLY ALTERING CCP PRIORITIES, WHICH SEEMS INAPPROPRIATE IN FACE OF DEEPLY INTRENCHED JAPANESE COMPETITION AND COMPARATIVELY MESSY, SPECULATIVE NATURE OF FISHERIES SECTOR.

5. CONSULATE SURABAYA, ON OTHER HAND, HAS TIME, INTEREST AND ABILITY EXECUTE THIS PROMOTIONAL EVENT. IF SURABAYA IS GIVEN PRIMARY RESPONSIBILITY FOR EVENT, JAKARTA WILL BE HAPPY ARRANGE LIMITED NUMBER KEY APPOINTMENTS IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JAKARTA 10970 051027Z

JAKARTA SO THAT TRADE MISSION EN ROUTE TO SURABAYA CAN CALL ON PRINCIPLE FISHERY AGENCIES WITH HEAD OFFICES HERE. BUT MINDFUL OF OTHER CCP PRIORITIES AND COMMENT MADE BY SEVERAL INDUSTRY CONTACTS HERE THAT EFFECTIVE TRADE MISSION CANNOT LIMIT ITSELF TO JAKARTA, WE WOULD INTEND HOLD NUMBER SUCH CALLS DOWN TO HANDFUL.

6. ASSUMING USDOC AGREEABLE TO SURABAYA EXECUTION THIS

PROMOTION EVENT, SURABAYA WILL RESPOND TO QUESTIONS
REAISED REF A CONCERNING FORMAT AND TYPE OF EVENT
APPROPRIATE.

7. REGRET JAKARTA MUST DECLINE PRIME SPONSORSHIP THIS
EVENT. NEWSOM

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JAKART10970
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750307-0571
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750980/aaaactel.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 JAKARTA 9466
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by MaustMC>; APPROVED <15 JAN 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE PROMOTION EVENT: FISHERIES EQUIPMENT CATALOG SHOW
TAGS: BEXP, ID
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006